

Memorandum

Date: October 23, 2009
Telephone: (916) 654-4894

To: Chairman James Boyd, Vice Chairman and Presiding Member
Jeffrey D. Byron, Commissioner and Associate Member
Hearing Officer, Raul Renaud

From: California Energy Commission – Rod Jones
1516 Ninth Street Project Manager
Sacramento, CA 95814-5512

DOCKET
08-AFC-8

DATE OCT 23 2009

RECD. OCT 23 2009

Subject: **HYDROGEN ENERGY CALIFORNIA PROJECT (08-AFC-8) STATUS REPORT 1**

Staff submits the following Status Report #1 for the proposed Hydrogen Energy California (HECA) project, pursuant to the Committee Scheduling Order dated September 28, 2009.

Current Issues and Activities for Resolution

Staff is working through the discovery and analysis phase of the proposed HECA project Application for Certification (AFC). Staff is currently focusing on acquiring more information in the areas of air quality, efficiency, and water resources as discussed at the site visit/informational hearing presentation. During the public comment portion of the September 16, 2009 site visit/informational hearing, Tom Frantz, Intervenor, and member of the Associations of Irrigated Residents (a San Joaquin Valley group advocating cleaner air) and 8 residents from the community of Tupman and adjacent communities in Kern County spoke to the project's staff and the Committee. The concerns by the residents for the most part were related to the loss of existing farmland and the potential air quality, water, traffic, and visual impacts created by the proposed project during construction and operation. Conversely, the proposed project received supportive statements from local Tupman and Kern County officials, the Kern Economic Development Corporation and Kern, Inyo and Mono Counties Building Trade Councils because of HECA's potential to create jobs in the Tupman community and surrounding areas.

Elimination of the Auxiliary Generator Electric LMS 100 Combustion Turbine

On September 30, 2009, the applicant submitted an amendment to the revised AFC for HECA eliminating the auxiliary General Electric CTG LMS 100 and reducing the emission rates for particulate matter less than 10 microns in diameter (PM 10) and particulate matter less than 2.5 microns in diameter (PM 2.5). The applicant's stated reason for the change to the proposed project is to avoid exceeding the San Joaquin Valley Air Pollution Control District's (SJVAPCD) 100 tons per year (TPY) PM 2.5 Air Quality Standard threshold. This action also requires an amendment to the applicant's US Environmental Protection Agency's Prevention of Significant Deterioration (PSD) Permit application, and the Application for an Authority to Construct filed with the SJVAPCD. The applicant is currently addressing these matters.

This removes the LMS 100 CTG from the remaining power train, consisting of the General Electric 7B CTG/Heat Recovery Steam Generator (HRSG). The project would still produce about 250 megawatts (MW) of baseload power for the grid and 390 gross MW from the combined-cycle plant that is fed hydrogen-rich fuel by the Gasification Block. The project would still require two conventional mechanical-draft cooling towers.

PROOF OF SERVICE (REVISED 09/03/09) FILED WITH
ORIGINAL MAILED FROM SACRAMENTO ON 10/23/09

TKG

Data Requests Set No. 1 (#s 1 through 132)

On October 12, 2009, staff issued one set of data requests (#s 1 through 132), in the technical areas of air quality, biological resources, cultural resources, efficiency, geology/ paleontology, hazardous materials, public health, reliability, socioeconomics, soil and water resources, waste management, and visual resources/visible plume. Staff expects to receive the data responses in early November and is working with the applicant to schedule the staff data response and issues resolution workshop, which is tentatively scheduled for November 17, 2009 at the Elk Hills Elementary School in Tupman, California.

Schedule

Staff is not proposing changes to the Committee Schedule for HECA at this time.



**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA
1516 NINTH STREET, SACRAMENTO, CA 95814
1-800-822-6228 – WWW.ENERGY.CA.GOV**

**APPLICATION FOR CERTIFICATION
FOR THE *HYDROGEN ENERGY*
*CALIFORNIA PROJECT***

Docket No. 08-AFC-8

PROOF OF SERVICE LIST
(Rev. 9/3/09)

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DECLARATION OF SERVICE

I, Teraja` K. Golston, declare that on October 23, 2009, I served and filed copies of the attached Hydrogen Energy California Project (08-AFC-8) Status Report #1 dated, October 23, 2009. The original document, filed with the Docket Unit, is accompanied by a copy of the most recent Proof of Service list, located on the web page for this project at: [www.energy.ca.gov/sitingcases/hydrogen_energy].

The documents have been sent to both the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit, in the following manner:

(Check all that Apply)

FOR SERVICE TO ALL OTHER PARTIES:

✓ sent electronically to all email addresses on the Proof of Service list;

✓ by personal delivery or by depositing in the United States mail at Sacramento, CA with first-class postage thereon fully prepaid and addressed as provided on the Proof of Service list above to those addresses **NOT** marked "email preferred."

AND

FOR FILING WITH THE ENERGY COMMISSION:

✓ sending an original paper copy and one electronic copy, mailed and emailed respectively, to the address below (*preferred method*);

OR

 depositing in the mail an original and 12 paper copies, as follows:

CALIFORNIA ENERGY COMMISSION

Attn: Docket No. 08-AFC-8
1516 Ninth Street, MS-4
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I declare under penalty of perjury that the foregoing is true and correct.

Teraja` K. Golston